



# RESTORATION TAX ABATEMENT THE FACTS

The Restoration Tax Abatement (RTA) Program is an economic development incentive created for municipalities and local governments to encourage the expansion, restoration, improvement, and development of existing structures in Downtown Development Districts, Economic Development Districts, or Historic Districts.

## ELIGIBILITY

Commercial property owners and homeowners, who expand, restore, improve or develop an existing structure in a qualifying district, Downtown Development Districts, Economic Development Districts, or Historic Districts or if the structure is on the List of Historic Places.

Note: an Enterprise Zone or Economic Development Zone is not a qualifying district.

## BENEFITS

The program grants a 5 year deferred assessment of the ad valorem property taxes assessed on renovations and improvements. RTA contracts may be renewed for a second 5 years if approved by the local governing authority. Commercial property owners and homeowners who expand, restore, improve or develop an existing structure in a qualifying district, after completion of the work, pay ad valorem taxes based on the assessed valuation of the property just prior to the beginning of the improvements. The tax abatement is not available if property taxes have been paid on the improvements made by the project. If the property is sold, the contract may be transferred, subject to local government and Board approval.

## APPLICATION PROCEDURE

- A. An Advance Notification Form and the \$100 fee, must be filed prior to the beginning of construction, with Department of Economic Development, Division of Business Incentives (BI). Advance Notifications may be filed at [http://www.led.state.la.us/businessresources/adv\\_noti.asp](http://www.led.state.la.us/businessresources/adv_noti.asp). Once there you can choose to file on-line and use a credit card for the fee or choose the mail-in where you can fill out the form on your computer then print it out and mail it in with the fee check.
- B. The Application and fee must be submitted as soon as all the documentation is assembled. For "certified historic structures," a copy of the Application must be sent to the Division of Historic Preservation. Owner-occupied-residence applicants should be sure the total property tax savings, over the five-year period, will exceed the total program fees, minimum \$400.
- C. After the application is reviewed for accuracy and all the required documentation, a set of the Application and supporting documents are sent to the local governing authority(s) for approval.
- D. If the local governing authority(s) approves the Application, a certified resolution or ordinance will be sent to BI. Upon receipt of the resolution, the application will be presented to the Board of Commerce and Industry (Board) at the next available meeting for their approval.
- E. After Board approves the Application, a contract is sent to the applicant (Contractee) for signature. When the contract is returned, it will be executed by the Board and the Board and the Governor.

- F. Copies of the executed contract are sent to the Contractee, parish assessor, mayor, or local governing authority, and any other necessary agency.
- G. After completion of the project, the Project Completion Report, Affidavit of Final Cost and the \$100 fee shall be submitted to BI in accordance with the rules. Copies of these documents are sent to the parish assessor, mayor, or local governing authority.
- H. The Contractee is responsible for filing or reporting annually to the assessor.

## **FEES**

Advance Notification - \$100

### **Application**

Project amount, (improvements to an existing structure)

- X 10% residential or 15% commercial
- X total local millage rate
- X 5 years (total estimated taxes deferred over the 5 year contract period)
- X .2% (.002) = Fee, minimum of \$200 and maximum of \$5,000

Affidavit of Final Cost - \$100

## **FOR ADDITIONAL INFORMATION CONTACT:**

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